



## QUARTERLY GRANT REPORT

For the Period of:	APRIL - JUNE 2013				
Name of the Grantee Organization:	African Cotton & Textile Industries Federation				
Project Title:	To develop and deliver value added products & services that directly impact on the competitiveness of the CTA sector & ACTIF sustainability				
Grant Agreement Number:		Project Startup Date:	April 2013	Project end date:	June 2013
Project Location:	Countries: Kenya, Uganda , Tanzania, Ethiopia, Rwanda, Burundi, Sudan				

### 1. Introduction

This report from African Cotton & Textile Industries Federation is for the period of April - June 2013 covering the activities implemented under USAID-COMPETE funding support. The Grant which was signed on 20th November 2012 is aimed at building the capacity of grain stakeholders to participate in structured grain trade in the region while working towards attaining the following specific objectives:

The primary objective of this grant is to support of specific activities aimed at addressing the core challenges facing ACTIF & its members, to consolidate on the gains achieved so far.

These include:

1. Strengthening of ACTIFs Institutional capacity and Membership;
2. Developing and enhancing value added products and services for members;
3. AGOA Forum 2013;
4. Origin Africa – New York, 25th April 2013;
5. Origin Africa Designer Showcase 2013 during AGOA forum;

### 2. Summary of Activities accomplished between April and June 2013.

#### 1. Strengthening of ACTIFs Institutional capacity and Membership:

##### 1.a Membership Survey on ACTIF and AGOA

The objective of this activity was to collect members and potential members' views on AGOA and ACTIF ahead of the membership engagement meeting.

##### 1.b Membership engagement drive in Kenya

A membership engagement drive was organized in Nairobi on May 29<sup>th</sup> primarily targeting to boost membership of ACTIF in Kenya under the expanded membership category that now allows individual companies to join ACTIF as Corporate members.

Another objective of the engagement was to collect members and non-members views on the impact and future of AGOA. The event attracted a total of 50 participants broken down as follows:

EATH – 1, COMESA -1, ITC – 1 ACTIF members – 19 (Including regional participants) and other companies – 28.

During the meeting that was chaired by ACTIF Chairman, Jaswinder Bedi, the survey reports on AGOA and ACTIF membership were launched and discussed. With regard to AGOA, a draft membership position was developed. It was agreed that ACTIF would engage a consultant to develop a position paper reflecting member's views.

With regard to ACTIF, a couple of companies expressed interest to join ACTIF with 4 of them signing up for membership by the end of the meeting.

The meeting was also very useful in engaging with existing members to highlight new services and products and also to collect their views on how they can be served better. One clear outcome was that members appreciated ACTIF's role on advocacy. It was also clear that members expected more country level and company level activities cutting across the entire value chain.

### **1.c Membership engagement drive in Tanzania**

Membership engagement drive in Tanzania was originally scheduled to be held in early July 2013. The date was however changed to 24<sup>th</sup> July 2013 following requests by our member associations in Tanzania who had conflicting events around the same period.

However the questionnaires for survey on ACTIF membership and views AGOA have been developed and the survey initiated. The venue has also been booked and programme developed. The list of target participants was also generated in partnership with our member associations in Tanzania.

## **2. Developing and enhancing value added products and services for members**

### **2.a New Products Developed**

This is an on-going activity that aimed is aimed at developing and publishing new products at ACTIF website and other avenues in order to meet expected increase in demand for services following membership drive to increase ACTIF's value propositioning and to attract membership from individual companies.

During the period, the following products were developed:

- CTA Supply side report for 4 Eastern African Countries – Kenya, Uganda, Tanzania and Sudan, This report had been developed in 2010 following a supply side study but was has now availed at ACTIF website for members and potential members.
- Textile Study report for Kenya. This report was launched on June 24<sup>th</sup> 2013 at Laico Regency 2013 at an event presided over by the Cabinet Secretary of Commerce, East African Affairs and Tourism, Ms Phyllis Kandie
- Concept for Origin Africa 2014. The draft was released to members and potential members

during the stakeholders meeting in Nairobi on 29<sup>th</sup> May 2013. The concept was later updated and shared with all potential partners.

- Online Textile Directory Updated. The Directory currently has over 300 entries from 22 countries. The directory is a useful tool.

In order to support the activities under new product development, ACTIF engaged a Trade Analyst assistant who would be responsible for day to day follow up with members to promote the existing services and products as well as to share the new ones with the members.

Key activities on his scope of work:

**ACTIF Website:** Regular updating of ACTIF Website, especially the newly created member section with Trade related information.

**Trade Reports:** Analysis of CTA Trade flows, Compile reports for ACTIF Presentations and Magazine

**Trade Directory:** Engage ACTIF Members to build information in ACTIF Trade Directory; promote use of Trade link section

## **2.b Cotton Africa Magazine**

This activity involved sustaining the development of Cotton Africa Magazine on a quarterly basis to create awareness on industry positions and generating revenue for ACTIF through advertisements. It is also a product that is used to attract new members by showcasing rich regional and international information for the cotton, textile and apparel sectors.

During the period of April to June, ACTIF completed the publication of Issue 7 and this was circulated to members. Issue 8 is now under publication. Issue 8 is now under development with the structure having been developed and call for articles having already been circulated.

## **3. Participation in AGOA Forum**

This activity was originally scheduled to take place between 27th June & 2nd July. The event has since been rescheduled and will now take place between 9th and 12th August 2013. Preparations are on-going for ACTIF to participate and present ACTIF position on AGOA.

## **4. Participation in Origin Africa – New York**

This activity was to be supported directly by EATH. The objective was to participate in Origin Africa New York and promote the Origin Africa brand during the event targeting major US buyers.

This activity took place in New York, during the week of April 22, 2013). However, ACTIF did not participate due to unavailability of the Chairman on those dates.

## **5. Origin Africa Designer Showcase 2013 during AGOA forum**

The date for the Designers showcase has not been finalized due to the postponement of AGOA forum in Ethiopia.

ACTIF is presently working with partners from Ethiopia and Kenya for the preparation of the event.

ACTIF seeks to engage a consultant to implement the Fashion show in Addis Ababa, specifically to undertake the following tasks:

- 1) Conceptualize Fashion Show
- 2) Develop Stage, lighting, A/V design and music
- 3) Identify 8-10 leading Ethiopian Designers to participate in Fashion Show
- 4) Identify, Cast and train up to 25 top Ethiopian models based locally to participate in fashion show
- 5) Identify and develop style for make-up and hair style to be showcased during the show
- 6) Identify and train up to 30 children performers for opening act
- 7) Identify and train backstage help, dressers, and production assistance for the show
- 8) Develop and train Choreography for all talent
- 9) Conceptualize and Develop Designer Catalogue for Show
- 10) Book 2 photographers and film crew

### **3. Other Non-Grant activities completed**

#### **I) Textile Policy Research for Kenya**

*In partnership with Business Advocacy fund (BAF)*

This activity was conducted in the first quarter of 2013. The objective was to review the textile policy environment in Kenya since the pre independence period to date and a draft a report with recommendations highlighting specific actions that need to be undertaken to support the development of the Textile sector in Kenya.

An initial meeting to launch the study and seek stakeholders input was held in January 2013. A validation meeting by a working committee was conducted on 13th May 2013. The report was finally launched on 24<sup>th</sup> June 2013 and handed over to the Cabinet Secretary of Commerce, East African Affairs & Tourism, Ms. Phylis Kandie.

Below are the key recommendations that were tabled for the Government to consider for developing the Textile Industry:

- a) Need to revive the irrigation schemes
- b) Need to showcase Kenya as investment destination to probable international investors
- c) Need to encourage buy Local to build Kenya
- d) Need to promote Investment in textile mills – up grading the technology
- e) Establishment of a Stabilization Fund to revive and strengthen the Textile Industry

The Industry was also challenged to be more proactive in engaging the government to push for implementation of the recommendations and for a more conducive environment to grow the sector.

It was also recommended that advocacy activities should be centered around

- Role of government in the cotton/textile industry
- Upgrade textile mills for quality fabrics- to diversify product lines, create employment and incomes
- Partnership between public and private sector
- Incentives-credit, subsidy, cash awards
- Dedicated/Special development funds and vehicles
- Dialogue for participants along value chain
- Designated industrial sites
- Promotion of niche products
- Aim to produce for global markets

## **II) Business Sustainability Support**

In partnership with the Business Advocacy Fund (BAF)

This activity is aimed at assisting ACTIF to build sustainability in line with its organization business plan. During the month of May and June promotional activities for Cotton Africa magazine and Origin Africa were launched. This included:

- The Executive Director travelled to Europe to promote Origin Africa in partnership with Messe Frankfurt during Texprocess event. During the Tex process event, ACTIF was allocated a booth to promote Origin Africa event and also provided a slot in the seminars to introduce ACTIF and present on origin Africa event. At the end of the event significant interest was generated for participation including potential exhibitors at the event.
- During the trip to EU strategic meetings were held with United Nations Conference for Trade and Development (UNCTAD), International Apparel Federation (IAF), Netherlands Agency for promoting imports into EU – CBI, German Association for Textile and Apparel – DTB.
- An Events Coordinator was hired by ACTIF to support the development and promotion of Origin Africa across the region and to the targeted international participants. The Origin Africa concept has since been updated and a database of potential participants, sponsors and exhibitors developed ahead of the anticipated launch and promotional activities in July 2013.
- Promotional activities for seeking more adverts to Origin Africa magazine were launched. This included targeted email campaigns especially to strategic partners ahead of the main launch in the month of July 2013.

The activities under this support have led to increased interest in ACTIF membership and its services during the first quarter.

## **III) Proposed Regional Centre of Excellence**

The proposed Regional Centre of Excellence is an initiative that ACTIF is spearheading to address the critical challenge of limited skilled man power in the textile and apparel sector across the region that has resulted in a high reliance on expatriates. This activity is also in line with COMESA cotton to clothing regional strategy.

Key milestones achieved so far include signing of MoU between ACTIF and EPZA to collaborate towards establishment of the regional centre of excellence; Initial meeting and endorsement by stakeholders in Kenya and formation of a working committee drawn from private sector, Government agencies and private universities.

During the month of May UNIDO made an offer to commit up to Euro 1,750,000 towards the project provided a commitment to match the support is developed. The working committee has since met with the Kenyan Government that has reiterated their support and willingness to match the offer with private public partnership by providing land and possibly some cost of building.

University of Nairobi has through the Institute of Development studies offered to develop the detailed funding proposal for the project that can be used in the resource mobilization activities.

ACTIF will continue to follow up with all stakeholders to respond to UNIDO's offer while also seeking more partners to be involved in the project.

#### **IV) Engagement with SATH Trade Hub**

During the month of April ACTIF partnered with South Africa Trade hub to implement Power Breakfast seminars during the Source Africa event in Cape Town that took place in April 9-12, 2013 at the Cape Town Convention Centre. The event brought together producers, business leaders and decision makers from across the continent providing opportunities for African manufacturers to network with international buyers. The Power breakfast seminars were very successful with over 130 participants attending each of the ACTIF Power breakfast seminars.

During the month of May, ACTIF finalised the report of their participation in the event. Follow up meetings were also held to initiate discussions with SATH on possible support for Origin Africa event in 2014 as well as possible support for ACTIF activities in Southern African region.

#### **v) ACTIF and COMESA Mission to Geneva with support of ITC**

ACTIF successfully secured the support of ITC to support of some resource mobilization activities linked to the implementation of the COMESA cotton to Clothing strategy. The support secured covers development of ACTIF position on AGOA including hire of International consultant and technical support to ACTIF and COMESA to engage with COMESA ambassadors and to develop strategic proposals for seeking funding from EU partners to implement the strategy.

During the month of May 2013, ITC supported participation of regional stakeholders in AGOA meeting held in Kenya where draft ACTIF position on the future of AGOA was developed.

In the month of June 2 representatives from ACTIF and two from COMESA travelled to Geneva on a mission. Key objectives of the meeting were to present the COMESA Cotton / textile strategy to COMESA member States representatives in Geneva; To present the current state of the Cotton value chain in the

ESA region and approach to the revitalization of the sector; To Advocate for the promotion and development of the cotton industry in the sub-region during the negotiation and coordination of commitments for development aid for cotton by the support partners and agencies.

During the meetings ACTIF was able to introduce itself as the pan African representative of the Cotton value chain for the private sector. The presentation also covered the present the current position of the Cotton value chain in ESA region, strategic interventions for the sector for helping to increase the production and value addition, To build strategic linkages and brand ACTIF, To source funds for the activities with the strategic partners in EU and other countries with the technical support of ITC.

The meeting was opened by HE Ambassador R. Nyirinkindi Katungye of Uganda who recognized the presence of the ACTIF /ITC and representative of COMESA. COMESA Chair HE Ambassador Gervais Nkanagu- Ambassador COMESA Representative to EU and ACP & IRCC Liaison Officer in Brussels, presented on the purpose and objective of the meeting. COMESA representative Mr.Fred Kong'ong'o introduced to the COMESA diplomats Cotton to Clothing strategy and ACTIF as the key organization representing the CTC value chain among the COMESA countries.

ACTIF representative, Executive Director Rajeev Arora introduced the federation and its core activities and objectives and Mr. Board Director Mr. Joseph Nkole discussed about the present status of cotton production in ESA region and the key interventions needed to develop cotton production and enhance value addition in the ESA region.

#### **vi) Meeting with DANIDA regional Office in Tanzania**

The Trade Policy & ICT Manager, Joseph Nyagari, travelled to Tanzania to meet with DANIDA regional representatives during the month of June 2013. The objective of the meeting was to meet with DANIDA regional representatives in order to present on outcomes of Textile East Africa Project that was implemented in Kenya with DANIDA support and explore opportunities for implementing a similar project as a regional project with DANIDA regional support.

Also in attendance were representatives of two partners in the existing Textile East Africa Project Claus Aabling – Danish Federation of Small & Medium Enterprises (DFSME) & Henning Høy Nygaard - Danish Federation of Small & Medium Enterprises (DFSME)

Key Outcomes of the meeting:

- DANIDA welcomed the concept of having Textile East Africa as a full value chain project. However there was no specific fund available that such a project could fit in.
- DANIDA further advised that they were currently undertaking a desk study to determine which value chains to work with under their new programs. The study should be completed by September 2013.
- DANIDA advised that there were two projects being formulated that could be of interest to ACTIF:
  - BizAB (Business across Borders) – Funds to be available through Trade Mark East Africa and likely to be launched in September 2013.
  - New B2B programme to be launched in January 2014. Application under this project must

involve Danish Companies that have at least more than 5 employees as per the new regulations.

- DANIDA advised that funds are currently available under the national Advocacy project for Tanzania – Best AC. To access the project ACTIF could apply through their local member in Tanzania. However the funds are only for advocacy and implementation should be in Tanzania

#### **vii) Origin Africa 2014 – Preparatory activities**

ORIGIN AFRICA is both an event and an on-going effort dedicated to improving African Cotton, Textile and Apparel trade. It involves collaboration with producers across the cotton value chain from farm to fashion including accessories suppliers to develop, guide and promote African trade. We aim to profile Africa, raise awareness of Africa as a place to do business and as a sourcing destination, change perceptions, and to make the continent more visible as a source of supply of cotton, textile products and fabrics, for international buyers.

Shortly after the Source Africa event 2014, ACTIF was advised that all the hubs will support ACTIF to hold Origin Africa as an annual Trade event for the Cotton Value Chain in Africa. Even though no firm commitment was received from the Hubs, ACTIF proceeded with the planning for the event including identifying the host country as Mauritius and making significant adjustments to the concept to reflect the needs for building intraregional trade as well as International Trade. ACTIF has also entered into a partnership agreement with Messe Frankfurt outlined in an MoU to collaborate in the development of Origin Africa Trade Expo.

Key objectives of holding Origin Africa include:

- Sustainability boost for ACTIF
- Intra-Regional Trade developed
- Momentum of Trade with US under AGOA increased
- ACTIF Profile enhanced

To date ACTIF has made significant strides in preparatory activities for the Origin Africa event. The main achievement so far has been the commitment received from Enterprise Mauritius who have offered to host the event in partnership with ACTIF.

ACTIF approached Enterprise Mauritius to partner in hosting Origin Africa event in Mauritius in collaboration with Messe Frankfurt. During their recent board meeting, they resolved as follows:

1. To Support holding Origin Africa Go-To Event in Mauritius in 2014
2. To support a Pan African Designer show case with at least 1 designer for each members country the event with the designers only covering their travel costs.
3. To support the cost of venue for the Origin Africa event / Series of seminars /Cost of 8 experts to travel & stay for 3 days.
4. To offer some minimum to bring buyers form USA/EU as part of the VIP package.
5. To brand the event in all trade shows they shall be participating this year including:



Russia/Ghana/Nigeria/USA/France/Hong-Kong including South Africa among other countries

6. To promote the event to all their current buyers in EU and South Africa.

Key conditions/concerns for Enterprise Mauritius support:

They need confirmation of USAID support for the event to be held in Mauritius on 2014; They need assurance of reasonable representation from all our 23 member countries; They want at least 1 fashion designer from each member country to showcase in the pan African designers showcase; and Confirmation of the speakers whom we plan to bring for the Power Seminar series

#### 4. Major activities planned for the month of July 2013:

- i) Conclude membership Survey on AGOA and ACTIF in Tanzania
- ii) Hold the membership engagement meeting in Tanzania on 24<sup>th</sup> July
- iii) Launch promotional activities on Origin Africa
- iv) Engagement with SATH on Origin Africa and support for ACTIF activities in SA region

#### Status of Implementation Activities to Date

Activities	Expected Deliverables	Due Date	Achievements in May
<b>Result #1: Strengthening of ACTIFs Institutional capacity and Membership:</b>			
<b>(1.1) The ACTIF secretariat will conduct a survey of potential associate and corporate members; highlight their needs and to identify new knowledge products and services that ACTIF needs to develop to generate their interest and sustainability as members;</b>	Survey Report on AGOA  Survey Report on ACTIF Membership	May and June 2013	The survey was successfully conducted for Kenya and included some regional representatives.  Reports developed on the Survey on AGOA and ACTIF Membership
<b>(1.2) National level meetings (Kenya &amp; Tanzania) to heighten AGOA outreach to enhance AGOA trade, to collect views on the AGOA structure after 2015, and to increase ACTIF's value propositioning and to attract membership from individual companies, and consequent increase in revenue streams that will result.</b>	ACTIF Position on AGOA  Membership Development	May – Kenya event  June – Tanzania Event	ACTIF position on AGOA developed  Members engagement meeting for Kenya successfully held on 29 <sup>th</sup> May 2013 with 50 participants  4 new Members Developed in the month of May  Tanzania meeting scheduled to be held on June 24 <sup>th</sup> 2013 in Dar es Salaam, Tanzania
<b>Result #2: Developing and enhancing value added products and services for members</b>			

<b>(2.1) New Product development to meet expected increase in demand for services following membership drive to increase ACTIF's value propositioning and to attract membership from individual companies</b>	New Reports for Members  New Services for Members	March to July 2013	<b>Reports developed</b> ACTIF report on CTA Supply side analysis of East Africa (Kenya, Sudan, Tanzania, Uganda)  Textile Study report and recommendations for Kenya.  ACTIF Position on AGOA  <b>Services Developed</b> ACTIF Member section in ACTIF website  Premium Trader section in ACTIF website  Online Trade Directory implemented
<b>(2.2) Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis to create awareness on industry positions and generating revenue for ACTIF through advertisements.</b>	Development of Cotton Africa Magazine		Issue 7 was completed and printed.  Issue 8 now currently under development.
<b>Result #3: AGOA Forum</b>			
<b>AGOA Forum 2013</b>	ACTIF Participation and presentation of ACTIF position	June / July  August 2013	The activity was scheduled to take place between 27 <sup>th</sup> June & 2 <sup>nd</sup> July. The event has since been rescheduled to 9 <sup>th</sup> and 12 <sup>th</sup> August 2013. Preparations are on-going for ACTIF to participate and present ACTIF position on AGOA.
<b>Result #4: Origin Africa – New York, 25th April 2013</b>			
<b>Participation in Origin Africa New York and promote OA brand</b>	Origin Africa Promoted	April 2013	This activity took place in New York, during the week of April 22, 2013). However, ACTIF did not participate due to unavailability of the Chairman on those dates.
<b>Result # 5: Origin Africa Designer Showcase 2013 during AGOA forum</b>			
<b>ACTIF in conjunction with COMPETE to hold OA designer showcase in Addis during the AGOA forum</b>	Promotion of Origin Africa 2013  Revenue generated by ACTIF	June / July  August 2013	The date for the Designers showcase has not been finalized due to the postponement of AGOA forum in Ethiopia. ACTIF is presently working with partners from Ethiopia and Kenya for the preparation of the event.

**Deliverables:**

- 1.** Copy of questionnaire used for survey on AGOA and ACTIF Membership
- 2.** Survey report on Impact of AGOA in Kenya
- 3.** Member Survey report for Kenya and some regional participants
- 4.** Report on strategic meeting supported by ITC
- 5.** List of participants to ACTIF Member engagement meeting
- 6.** Programme for ACTIF Stakeholders meeting on AGOA and ACTIF Services in Kenya
- 7.** Programme for ACTIF Stakeholders meeting on AGOA and ACTIF Services in Tanzania
- 8.** ACTIF Position on AGOA
- 9.** Textile Study report and recommendations for Kenya
- 10.** ACTIF Report to SATH on Source Africa
- 11.** Origin Africa Concept for 2014
- 12.** Report on status of ACTIF preparations for Origin Africa event
- 13.** UNIDO letter to Kenyan Government
- 14.** Correspondence with UNIDO to indicate offer for support towards RCOE
- 15.** Copy of Issue 7 of Cotton Africa Magazine
- 16.** Trip reports to EU (COMESA, MesseFrankfurt, Texprocess, UNCTAD, IAF, DTB & CBI)
- 17.** Trip reports to Tanzania (DANIDA, IBUTTI, TCA, & TDC)